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## SUPPLY SIDE

### The GOP's New New Deal

The bill for Katrina may fall due next November.

**BY STEPHEN MOORE**

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There's an old adage that no one in Washington can tell the difference between \$1 million and \$1 billion. Seldom has that Beltway learning disability been more vividly demonstrated than in the weeks since Katrina.

When President Bush announced last Thursday that the feds would take a lead role in the reconstruction of New Orleans, he in effect established a new \$200 billion federal line of credit. To put that \$200 billion in perspective, we could give every one of the 500,000 families displaced by Katrina a check for \$400,000, and they could each build a beach front home virtually anywhere in America.

This flood of money comes on the heels of a massive domestic spending build-up in progress well before Katrina traveled its ruinous path. Federal spending, not counting the war in Iraq, was growing by 7% this year, which came atop the 30% hike over Mr. Bush's first term. Republicans were already being ridiculed as the Grand Old Spending Party by taxpayer groups. Their check-writing binge in response to the hurricane only confirmed, as conservative leader Paul Weyrich put it, that "the GOP, once the party of small government, has lost its bearings and the Republican establishment doesn't seem to get the message that the grass roots of the party is enraged."

Congressman Todd Aiken of Missouri complains that Congress was forced to vote on the \$62 billion first installment of funds "even though we knew a lot of the money may go to waste." Mr. Aiken and several dozen other House conservatives proposed an amendment to the \$62 billion hurricane relief bill that would offset at least some of the emergency spending by cutting other government programs a meager 2.5 cents out of every dollar that federal agencies spend.

Was the amendment defeated? No. The Republican leadership would not even allow it to come to a vote, on the grounds that there was no waste which could be easily identified and cut.

Dozens of other reasonable proposals to offset Katrina's tidal wave of deficit spending have been similarly repelled. Mike Pence of Indiana suggested a one-year delay on the multitrillion dollar new prescription drug benefit for senior citizens. For 220 years, seniors have managed without this give-away; one more year of waiting would hardly be an act of cruelty. It would save \$40 billion, but there were no takers. Then there was the well-publicized idea by Republicans and several Democrats in Congress to cut \$25 billion for bike paths, train-station renovations, nature trails, parking garages, auto museums and 6,000 other such pork projects in the just-enacted highway law. It was torpedoed by the powerful committee chairmen who patched this abominable bill together in the first place.



It's only been 10 days since reconstruction funds were voted out of Congress, but there are already stories of misspending. For example, the Louis Vuitton store reported selling two monographed luxury handbags for \$800 each, both paid for by women with FEMA's \$2,000 emergency disaster relief debit cards.

Rapacious trial lawyers are already on the hunt rounding up Katrina's victims to unleash a barrage of multimillion dollar lawsuits. Now they have been empowered by Congress to finance these lawsuits against taxpayers . . . with taxpayer dollars.

The government has just allocated \$250 million for "counseling and legal services." After 9/11, the federal government authorized tens of millions of dollars for "counseling" to traumatized families of the victims. A Republican Study Committee audit discovered that millions went for "peace" and "diversity" workshops, a "yearlong celebration of trees, gardens and other healing places," theater workshops, anger-management classes and multiculturalism programs to discuss "who we are and why we are here." (Isn't that what churches are for?)

Politicians from seemingly every congressional district appear to be elbowing their way to the orgy table for a slice of this \$200-billion pie. At last count, 12 governors declared their states emergency disaster areas, and thus eligible for federal aid. Iowa, Michigan and Utah, for example, states nowhere near the Hurricane, are lining up for disaster relief funds.

Conspicuously missing from the post-Katrina spending debate is a question for some brave soul in Congress to ask, *What is the appropriate and constitutional role here for the federal government?* Before the New Deal taught us that the federal government is the solution to every malady, most congresses and presidents would have concluded that the federal government's role was minimal. One of our greatest presidents, Democrat Grover Cleveland, vetoed an appropriation for drought victims because there was no constitutional authority to spend for such purposes. Today he would be ridiculed by Ted Kennedy as "incompassionate."

We all want to see New Orleans rebuilt, but it does not follow that this requires more than \$100 billion in federal aid. Chicago was burned to the ground in 1871; San Francisco was leveled by an earthquake in 1906; and in 1900 Galveston, Texas, was razed by a hurricane even more ferocious than Katrina. In each instance, these proud cities were rebuilt rapidly and to even greater glory--with hardly any federal money.



Alas, in the world of compassionate conservatism, the quaint notion of limited federal power has fallen to the wayside in favor of an ethic that has Uncle Sam as first, second and third responder to crisis. FEMA, despite its woeful performance, will grow in size and stature. So will the welfare state. Welcome to the new New Dealism of the GOP.

Both political parties are now willing and eager to spend tax dollars as if they were passing out goody-bags to grabby four-year-olds at a birthday party. The Democrats are already forging their 2006 and 2008 message: We will spend just as many trillions of dollars as Republicans, but we will spend them better than they do. After witnessing the first few Republican misappropriations for Hurricane Katrina, the Democrats may very well be right.

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